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14 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

15 **IN AND FOR THE COUNTY OF MARICOPA**

16 STATE OF ARIZONA, *ex rel.* THOMAS C.
17 HORNE, Attorney General,

18 Plaintiff,

19 vs.

20 ELH Consulting, LLC, an Arizona Limited
21 Liability Company, also d/b/a Proactive
22 Planning Solutions; Purchase Power
23 Solutions, LLC, an Arizona Limited Liability
24 Company; Allied Corporate Connection,
25 LLC, an Arizona Limited Liability Company;
26 Complete Financial Strategies, LLC, an
Arizona Limited Liability Company; 3Point14
Consultants, LLC, a Nevada Limited Liability
Company, also d/b/a Elite Planning Group
and First Secure Management; Key Tech
Software Solutions, LLC, a Delaware Limited
Liability Company, also d/b/a Key One
Solutions; Financial Management Partners,
Inc., a Florida corporation; Emory L. Holley
IV, a/k/a Jack Holley, individually and as the
sole member of ELH Consulting, LLC; Lisa
Miller, individually and as the sole member of
Allied Corporate Connection, LLC, Complete
Financial Strategies, LLC, and Purchase
Power Solutions, LLC; Rares Stelea
individually, on behalf of his marital
community with Jane Doe Stelea, and as the
sole member of 3Point14 Consultants, LLC;
Justin Journay, individually, on behalf of his
marital community with Jane Doe Journay.

Case No.:

CV 2012-016058

**COMPLAINT FOR INJUNCTIVE
AND OTHER RELIEF**

(Unclassified Civil)

1 and as the sole member of Key Tech Software
2 Solutions, LLC; Betsy Valorose, individually
3 and on behalf of her marital community with
4 John Doe Valorose, and as director of
Financial Management Partners, Inc.; Eric
Pugh, individually and on behalf of his
marital community with Jane Doe Pugh,

5 Defendants.

6 Plaintiff, State of Arizona, *ex rel.* Thomas C. Horne, Attorney General, alleges as
7 follows:

8 **I. NATURE OF CLAIMS**

9 This case involves a credit card interest rate reduction scheme that has defrauded
10 thousands of consumers nationwide out of millions of dollars through illegal robocalling,
11 illegal telemarketing and deceptive business practices. Defendants, operating their businesses
12 and call centers out of Arizona, have generated countless prerecorded "robocalls" from Card
13 Member Services offering to lower interest rates on credit cards. Consumers who press "1"
14 are connected to a salesperson who promises to save the consumer at least \$2,500.00. A caller
15 who agrees to the scheme is immediately charged a fee of \$900.00 or more via credit card,
16 reassured by the offer of a money-back guarantee if the promised savings do not materialize.
17 Defendants imply that they are employees of consumers' credit card companies or that they
18 have a special relationship with consumers' credit card companies that will enable them to
19 obtain lower interest rates for consumers. Consumers are also led to believe that Defendants
20 will negotiate with the credit card companies on their behalf and/or that Defendants will obtain
21 a new credit card for them with a 0% interest rate.

22 A small portion of the call is then recorded, where consumers appear to be agreeing to
23 pay for a service that is materially different from what has been described on the full sales call.
24 This recording is used by Defendants to rebut any claims of fraud made by consumers when
25 they attempt to dispute the charges with their credit card companies. Consumers eventually
26 realize that Defendants' only actual product is a "custom debt analysis" or payoff plan

1 calculating the savings if consumers were to pay higher monthly amounts to their higher
2 interest rate cards. Defendants claim that this payoff plan, if followed, will save consumers
3 \$2,500.00 in interest over time, and therefore their money-back guarantee has been met.
4 Defendants then refuse to refund monies paid, callously defrauding consumers already facing
5 financial hardship. When too many consumers complain about a particular business,
6 Defendants commence operations under a new name and new mailing address, continuing the
7 same fraudulent business practices.

8 **II. JURISDICTION AND VENUE**

9 1. This action is brought pursuant to the Arizona Consumer Fraud Act, the Arizona
10 Telephone Solicitations Act and the Arizona Credit Services Act to obtain injunctive relief to
11 prevent the unlawful acts and practices alleged in this Complaint and other relief, including
12 restitution, civil penalties, costs of investigation and attorney's fees.

13 2. This Court has jurisdiction to enter appropriate orders both prior to and
14 following a determination of liability pursuant to the Arizona Consumer Fraud Act,
15 A.R.S. § 44-1528 and the Arizona Credit Services Act, A.R.S. § 44-1710.

16 3. Venue is appropriate in Maricopa County pursuant to A.R.S. § 12-401.

17 **III. PARTIES**

18 4. Plaintiff is the State of Arizona, *ex rel.* Thomas C. Home, the Attorney General
19 of Arizona, who is authorized to bring this action under the Arizona Consumer Fraud Act,
20 A.R.S. § 44-1521, *et seq.* and the Arizona Credit Services Act, A.R.S. § 44-1701, *et seq.*

21 5. Defendant ELH Consulting, LLC ("ELH Consulting"), is an Arizona limited
22 liability company with its registered address at 1753 E. Broadway Rd. #525, Tempe, Arizona
23 85282. ELH Consulting has also done business as Proactive Planning Solutions ("Proactive").

24 6. Defendant Purchase Power Solutions, LLC ("Purchase Power"), is an Arizona
25 limited liability company with its registered address at 4050 W. Ray Rd. #17-155, Chandler,
26 Arizona 85226, and its mailing address at 3116 S. Mill St. # 283, Mesa, Arizona 85282.

1 7. Defendant Allied Corporate Connection, LLC ("Allied"), is an Arizona limited
2 liability company with its registered address at 2023 W. Guadalupe Rd. #11-217, Mesa,
3 Arizona 85202, and its mailing address at 2655 W. Guadalupe Rd., Suite 9, Mesa, Arizona
4 85202.

5 8. Defendants Complete Financial Strategies, LLC ("Complete"), is an Arizona
6 limited liability company with its registered address at 1730 E. Warner Rd. # 10-109, Tempe,
7 Arizona 85284.

8 9. Defendant 3Point14 Consultants, LLC ("3Point"), is a Nevada limited liability
9 company with its registered address at 6576 Goldensun Court, Las Vegas, Nevada 89108, and
10 its mailing address at 1960 W. Ray Rd. #13-17, Chandler, Arizona 85224. 3Point has done
11 business as Elite Planning Group ("Elite"), which has its mailing address at 315 W. Elliot Rd.
12 #107-166, Chandler, Arizona 85284. 3Point has also done business as First Secure
13 Management, which also has its mailing address at 1960 W. Ray Road #13-17 Chandler, AZ
14 85224. 3Point has not obtained authority to transact business in Arizona as a foreign limited
15 liability company as required by A.R.S. § 29-802.

16 10. Defendant Key Tech Software Solutions, LLC, ("Key Tech") is a Delaware
17 limited liability company with its registered address at 16192 Coastal Highway, Lewes,
18 Delaware 19958, and its mailing address at P.O. Box 360321, Strongsville, Ohio 44136. Key
19 Tech has done business as Key One Solutions ("Key One"), which has its mailing address at
20 7650 S. McClintock Dr. #103-119, Tempe, Arizona 85284. Key Tech has not obtained
21 authority to transact business in Arizona as a foreign limited liability company as required by
22 A.R.S. § 29-802.

23 11. Defendant Financial Management Partners, Inc. ("FMP") is a Florida
24 corporation with its principal address at 100 E. Sybelia Ave., Suite 100, Maitland, Florida.
25 FMP also has a mailing address of 315 West Elliot Road, #172, Tempe, Arizona and transacts
26 business from a location in Arizona. FMP has not obtained authority to transact business as a

1 foreign corporation as required by A.R.S. § 10-1501.

2 12. Defendant Emory L. Holley IV a/k/a Jack Holley ("Holley") is the sole member
3 of Defendant ELH Consulting and is general manager of Defendant Allied. At all times
4 material to this Complaint, acting alone or in concert with others, he has formulated, directed,
5 controlled, had the authority to control, or participated in the acts and practices set forth in this
6 Complaint. Holley resides in Maricopa County, Arizona.

7 13. Defendant Lisa Miller ("Miller") is the sole member of Defendants Allied,
8 Complete, and Purchase Power. At all times material to this Complaint, acting alone or in
9 concert with others, she has formulated, directed, controlled, had the authority to control, or
10 participated in the acts and practices set forth in this Complaint. Miller resides in Maricopa
11 County, Arizona.

12 14. Defendant Rares Stelea ("Stelea") is the sole member of Defendant 3Point. At
13 all times material to this Complaint, acting alone or in concert with others, he has formulated,
14 directed, controlled, had the authority to control, or participated in the acts and practices set
15 forth in this Complaint. Stelea resides in Las Vegas, Nevada.

16 15. Defendant Jane Doe Stelea is, and was, at all relevant times, the wife of
17 Defendant Rares Stelea. Defendant Rares Stelea acted on behalf of his martial community
18 with respect to the allegations contained in this Complaint.

19 16. Defendant Justin Journey ("Journey") is the sole member of Defendant Key
20 Tech. At all times material to this Complaint, acting alone or in concert with others, he has
21 formulated, directed, controlled, had the authority to control, or participated in the acts and
22 practices set forth in this Complaint. Journey resides in Strongsville, Ohio.

23 17. Defendant Jane Doe Journey is, and was, at all relevant times, the wife of
24 Defendant Justin Journey. Defendant Justin Journey acted on behalf of his martial community
25 with respect to the allegations contained in this Complaint.

26 18. Defendant Betsy Valorose ("Valorose") is the sole director of Defendant FMP.

1 At all times material to this Complaint, acting alone or in concert with others, she has
2 formulated, directed, controlled, had authority to control, or participated in the acts and
3 practices set forth in this Complaint. Valorose resides in Sebastian, Florida.

4 19. Defendant John Doe Valorose is, and was, at all relevant times, the husband of
5 Defendant Betsy Valorose. Defendant Betsy Valorose acted on behalf of her marital
6 community with respect to the allegations contained in this Complaint.

7 20. Defendant Eric Pugh ("Pugh") manages and operates Defendant FMP. At all
8 times material to this Complaint, acting alone or in concert with others, he has formulated,
9 directed, controlled, had authority to control, or participated in the acts and practices set forth
10 in this Complaint. Pugh resides in Florida.

11 21. Defendant Jane Doe Pugh is and was at all relevant times the wife of Defendant
12 Eric Pugh. Defendant Eric Pugh acted on behalf of his marital community with respect to the
13 allegations contained in this Complaint.

14 22. The above Defendants have operated as a common enterprise while engaging in
15 the deceptive acts and practices and other violations of law alleged below. These Defendants
16 have conducted the business practices described below through an interrelated network of
17 companies that have common ownership, officers, managers, business functions, employees,
18 and office locations, and that have commingled funds and engaged in a common scheme.
19 Because these Defendants have operated as a common enterprise, each of them is jointly and
20 severally liable for the acts and practices alleged below.

21 **IV. FACTUAL BACKGROUND**

22 23. From on or about January 17, 2006 to the present, Defendants ELH Consulting,
23 Purchase Power, Allied, Complete, Holley, and Miller have telemarketed credit card interest
24 rate reduction services to consumers in the United States from locations in Arizona.

25 24. From on or about April 22, 2009 to the present, Defendant 3Point has
26 telemarketed credit card interest rate reduction services to consumers in the United States.

1 25. From on or about October 7, 2011 to the present, Defendant Key Tech has
2 telemarketed credit card interest rate reduction services to consumers in the United States.

3 26. From on or about April 7, 2011 to the present, Defendant FMP has telemarketed
4 credit card interest rate reduction services to consumers in the United States.

5 27. In many instances, Defendants initiate telemarketing calls using a telemarketing
6 service that delivers prerecorded voice messages, known as "voice broadcasting" or
7 "robocalling." The prerecorded messages offer consumers the purported opportunity to secure
8 substantially lower credit card interest rates and instruct consumers to press a number on their
9 phone to be connected to a live representative. When consumers press the number, they are
10 connected to a live representative who works for Defendants.

11 28. Defendants made these "robocalls" to residential telephones using a prerecorded
12 voice to deliver a message without the prior express consent of the called parties.

13 29. Defendants also have marketed their programs via the Internet on several
14 websites, including keyonesolutionsinc.com, proactiveplanningsolutions.com,
15 theeliteplanninggroup.com, firstsecuremanagement.com and purchasepowersolutionsinc.com.

16 30. During telemarketing calls, Defendants often identify themselves as
17 representatives of "Cardmember Services" or another generic business name. Defendants
18 claim to have the ability to reduce substantially consumers' credit card interest rates.

19 31. In many instances, Defendants claim that they can obtain very low interest rates,
20 typically between 4.9% and 9.9% for consumers. Defendants also often claim that their
21 interest rate reduction services will provide substantial savings to consumers, typically at least
22 \$2,500.00, in a short period of time, and will enable consumers to pay off their debt much
23 faster, typically three to five times faster, without increasing their monthly payments.

24 32. In numerous instances, Defendants guarantee that if consumers do not save the
25 promised amount of money in a short time as a result of lowered credit card interest rates,
26 consumers will receive a full refund of the cost of Defendants' services.

1 33. In some instances, Defendants have guaranteed or represented a high likelihood
2 of success in obtaining for consumers a 0% or very low interest credit card.

3 34. In some instances, Defendants' sales personnel informed consumers that they
4 were employed by a government agency or were licensed financial consultants.

5 35. In some instances, Defendants' sales personnel informed consumers that they
6 qualified for this program because of their history of timely credit card payments, although
7 Defendants did not have actual access to consumers' credit history.

8 36. In some instances, Defendants' sales personnel falsely claimed to have a special
9 relationship with Mastercard and Visa that would allow them to negotiate lower interest rates
10 for consumers.

11 37. In some instances, Defendants sales personnel falsely claimed to be able to view
12 consumers' credit card histories, outstanding balances and interest rates.

13 38. In many instances, during the sales call, Defendants falsely lead consumers to
14 believe that they will negotiate interest rate reductions on their behalf, when the only service
15 actually provided by Defendants is purported education on "do it yourself" interest rate
16 reduction.

17 39. Defendants charge consumers a fee ranging from \$900 to \$999 for their services.
18 Defendants typically place this charge on consumers' credit cards during or immediately
19 following the telemarketing calls. Defendants typically represent that the amount of the fee
20 will be quickly offset by savings achieved through reduced interest rates.

21 40. After consumers pay Defendants' fee, Defendants usually send consumers forms
22 to complete and return listing all of the consumers' credit card account information and other
23 sensitive personal information such as date of birth and Social Security Number.

24 41. In some instances, after consumers complete and return Defendants' forms,
25 Defendants initiate three-way telephone calls with the consumers and the customer service
26 departments of credit card companies that consumers listed on the forms. These three-way

1 telephone calls merely consist of Defendants verbally requesting (or prompting consumers to
2 verbally request) that the credit card companies reduce the consumers' credit card interest
3 rates. This is a task consumers could easily perform themselves. The credit card companies
4 typically decline the request, and the call ends. These three-way telephone calls are often the
5 total extent of Defendants' credit card interest rate reduction services.

6 42. In numerous instances, Defendants fail to provide consumers with the significant
7 reductions in credit card interest rates, new lower interest rate credit accounts, and the
8 minimum savings promised during the initial telephone call, and they typically fail to provide
9 any reduction in consumers' credit card interest rates at all. Consequently, consumers are not
10 able to pay their credit card debts faster than they could have without Defendants' service.

11 43. Despite Defendants' failure to deliver on the promises made to consumers, and
12 misrepresentation of the actual services to be provided by Defendants, Defendants rarely
13 refund the fee charged to consumers for purchasing Defendants' credit card interest rate
14 reduction services.

15 44. Since at least January 17, 2006, Defendants ELH Consulting, Purchase Power,
16 Allied, Complete, Holley, and Miller have provided substantial assistance to Defendants
17 3Point, Key Tech, FMP and other telemarketers and sellers of credit card interest rate
18 reduction services including, but not limited to, registration of website domains, establishment
19 of mail drops, product fulfillment, and customer service.

20 **V. VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT**

21 45. The State re-alleges the prior allegations of this Complaint as though fully set
22 forth herein.

23 46. Beginning in January 2006 and continuing until the present, Defendants, in
24 connection with the sale and advertisement of merchandise, as described in the above
25 allegations, used or employed deception, deceptive acts or practices, fraud, false pretenses,
26 false promises, misrepresentations or concealment, suppression or omission of material fact

1 with the intent that others rely on such concealment and/or suppression or omission in
2 violation of A.R.S. § 44-1522(A).

3 47. In all matters alleged in the preceding paragraphs, Defendants acted willfully,
4 subjecting themselves to enforcement and penalties as provided in A.R.S. § 44-1531(A).

5 **VI. VIOLATIONS OF THE ARIZONA TELEPHONE SOLICITATIONS ACT**

6 48. The State realleges all preceding paragraphs as though fully set forth herein.

7 49. Defendants were "sellers" as defined under the Arizona Telephone Solicitations
8 Act, A.R.S. § 44-1271, *et seq.* As "sellers" Defendants were required to comply with the
9 mandates of the Act.

10 50. Defendants solicited by telephone without filing a verified registration statement
11 with the Arizona Secretary of State as set forth in A.R.S. §44-1272.

12 51. Defendants solicited by telephone without first filing a bond in the amount of
13 one hundred thousand dollars (\$100,000.00) with the Arizona State Treasurer as required in
14 A.R.S. § 44-1274.

15 52. Defendants solicited by telephone without providing the required disclosures and
16 notices of cancellation to consumers as required by A.R.S. § 44-1276.

17 53. Defendants did not honor consumers' right to cancel and request refunds as
18 mandated by A.R.S. § 44-1276 (C) or provide the Notice of Cancellation mandated by A.R.S.
19 44-1276(D).

20 54. Defendants did not honor the Consumers' right to rescind a sale by an
21 unregistered seller at any time pursuant to A.R.S. § 44-1279.

22 55. Defendants made telephone calls prohibited by A.R.S. § 44-1278(B)(4) to
23 residential telephones using an artificial or prerecorded voice to deliver a message when the
24 call was not initiated for emergency purposes and was made without the prior express consent
25 of the called party.

26 56. Defendants' violations of the Telephone Solicitations Statute constitute unlawful

practices under the Arizona Consumer Fraud Act, A.R.S. § 44-1522 *et seq.*, pursuant to A.R.S. § 44-1278(C).

57. In all matters alleged in the preceding paragraphs, Defendants acted willfully, subjecting themselves to enforcement and penalties as provided in A.R.S. § 44-1531(A).

VII. VIOLATIONS OF THE ARIZONA CREDIT SERVICES ACT

58. The State re-alleges the prior allegations of this Complaint as though fully set forth herein.

59. Defendants are a credit services organization subject to the Arizona Credit Services Act, A.R.S. § 44-1701, *et seq.* because they represent to consumers that they can obtain an extension of credit or provide advice or assistance with regard to obtaining an extension of credit.

60. Defendants charged consumers fees for credit extension services prior to the complete performance of those services by Defendants, or any other entity with whom Defendants associated, without having first obtained a surety bond as required by A.R.S. §44-1703.

61. Defendants failed to provide consumers who signed a contract for its loan modification services with a separate Information Statement, as required by A.R.S. §§ 44-1704 and 1705.

62. Defendants used a contract with consumers that failed to contain all of the disclosures provided by A.R.S. § 44-1706.

63. In all matters alleged in the preceding paragraphs, Defendants violated the Arizona Credit Services Act subjecting themselves to enforcement as provided in A.R.S. § 44-1710.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that the Court:

1. Enjoin Defendants 3Point14 Consultants, LLC, Key Tech Software Solutions,

1 LLC and Financial Management Partners, Inc. from transacting business in this State as
2 unregistered foreign business entities.

3 2. Prohibit Defendants from violating the Arizona Consumer Fraud Act,
4 A.R.S. § 44-1521 *et seq.*

5 3. Prohibit Defendants from violating the Arizona Telephone Solicitations Act,
6 A.R.S. § 44-1271, *et seq.*

7 4. Prohibit Defendants from violating the Arizona Credit Services Act,
8 A.R.S. § 44-1701 *et seq.*

9 5. Prohibit Defendants and all persons in active concert or participation with them
10 from engaging in the course of conduct alleged herein.

11 6. Prohibit Defendants from engaging in, receiving any remuneration of any kind
12 whatsoever from, holding any ownership interest, share or stock in, or serving as an officer
13 director, employee or trustee of any business entity engaged, in whole or in part, in the
14 advertisement and/or sale of any service or merchandise that uses outbound telemarketing as a
15 means to generate sales from a location in Arizona or to any consumer located in Arizona.

16 7. Order Defendants to restore to all persons any money that was acquired by any
17 means or practice alleged herein to be in violation of any of the above-mentioned acts,
18 pursuant to A.R.S. § 44-1528.

19 8. Order Defendants to pay the State of Arizona a civil penalty of up to ten
20 thousand dollars (\$10,000.00) for each violation of the Consumer Fraud Act pursuant to
21 A.R.S. § 44-1531.

22 9. Order Defendants to pay the State of Arizona its investigative and attorneys'
23 costs and fees relating to this lawsuit.

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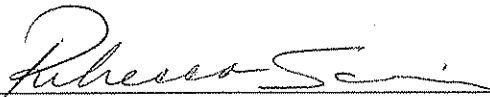
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1 10. Order other and further relief as the Court may deem just and proper.

2
3 RESPECTFULLY SUBMITTED this 24th day of October, 2012.

4
5 THOMAS C. HORNE
6 Attorney General

7 
8 By: Rebecca C. Salisbury
9 Assistant Attorney General

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